

USDA Risk Management Agency

Statement of Work

For

Grain Sorghum Industry

***Development and Recommendation of a
Grain Sorghum Pricing Methodology***

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Section 1.0 General Information

1.1 Requiring Agency:

United States Department of Agriculture (USDA), Risk Management Agency (RMA), Office of Product Management.

1.2 Organizational Contact:

The Contracting Officer's Technical Representative (COTR) will be identified at the time of award.

1.3 Contract Type Contemplated:

RMA contemplates a fixed price for this contract. The contractor will indicate the cost of this effort in the cost proposal.

1.4 Contract Objectives:

The goal of this statement of work (SOW) is to obtain a proposal for development of a grain sorghum pricing methodology that is transparent and replicable.

1.5 News Releases:

The Contractor shall not make any news release pertaining to this procurement without prior Government approval and then only in coordination with the Contracting Officer or COTR.

1.6 Scope of Authority:

The offeror is advised that the Contracting Officer is the only person who can legally obligate the Government for the expenditure of public funds in connection with this procurement, and that only the Contracting Officer or the COTR is authorized to accept or reject deliverables described in the statement of work.

1.7 Non-Disclosure and Confidentiality:

Section 502(c) of the Federal Crop Insurance Act (7 U.S.C. § 1502(c)) states that no person may disclose to the public information provided by a producer under the Act unless the information has been transformed into a statistical or aggregate form in which the individual submitter is unidentifiable or the producer consents to such disclosure. The Contractor shall maintain the confidentiality of all data provided by RMA, all

analyses and the results of such analyses conducted under this SOW, all programs, models, formulas, etc., all graphs, charts, and any other document or information used, created or generated through the performance of any task under the SOW. No person may view or have access to any data provided by RMA, any analyses and the results of such analyses conducted under this SOW, any programs, models, formulas, etc., any graphs, charts, and any other document or information used, created or generated through the performance of any task under the SOW unless such access is necessary to perform a task under this SOW. The Contractor shall keep all information contained in source documents or other media furnished by the Government in the strictest confidence. The Contractor also agrees not to publish or otherwise divulge such information in whole or in part in any manner or form, or to authorize or permit others to do so, taking such reasonable measures as are necessary to restrict access to such information while in the Contractor's possession, to those employees needing such information to perform the work provided herein, i.e., on a "need to know" basis, unless prior written approval is obtained from the Contracting Officer. The Contractor shall immediately notify the Contracting Officer, in writing, in the event that the Contractor determines or has reason to suspect a breach of this requirement. The Contractor shall insert the substance of this clause in any consultant agreement or subcontract hereunder. At the completion of this contract, the Contractor shall be required to destroy or return all data or information made available by the Government that are not intended for public disclosure.

1.8 Paperwork Reduction Act:

For any information collection activities subject to the Paperwork Reduction Act (PRA) that may be performed under this contract, the Contractor shall comply with the PRA.

1.9 Acronyms and Definitions:

CO - Contracting Officer

COTR - Contracting Officer's Technical Representative

ECONOMIST- Minimum of a B.S. in Agricultural Economics and/or Economics from an accredited institution of higher learning with expertise in the grain sorghum and corn markets

FCIC - The Federal Crop Insurance Corporation, a wholly owned corporation within USDA and is also called in this document the Corporation

GRAIN SORGHUM INDUSTRY- an organization representing a significant amount of the acres produced in the Grain Sorghum industry.

RMA - The Risk Management Agency of the United States Department of Agriculture

Section 2.0 Background

Section 12009 of the Food, Conservation, and Energy Act of 2008 Public Law 110-234 enacted May 22, 2008 amended Section 508(c)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)(5) by adding language that the Federal Crop Insurance Corporation was to contract individually with five (5) expert reviewers to develop and recommend a methodology for determining an expected market price for grain sorghum for both the production and revenue-based plans of insurance to more accurately reflect the actual price at harvest. The developed price methodology is to be transparent and replicable. The five (5) expert reviewers are to be agricultural economists with experience in grain sorghum and corn markets of which two are to be within the Department of Agriculture, two are to be agricultural economists from institutions of higher learning, and one is to be an agricultural economist nominated by the grain sorghum industry.

Section 3.0 Work Statement

3.1 Objective:

The objective of this contract is to obtain a pricing methodology for grain sorghum that determines an expected market price for grain sorghum for both the production and revenue-based plans of insurance that most accurately reflects the actual price at harvest.

3.2 Scope:

This work requires the skill of an agricultural economist who has experience in grain sorghum and corn markets and is nominated by the grain sorghum industry.

3.3 Specific Tasks and Work Requirements:

The contractor (expert reviewer) shall develop and recommend to the government a pricing methodology for determining an expected market price for sorghum for both the production and revenue-based plans of insurance to more accurately reflect the actual price at harvest. The contractor shall deliver this developed and recommended price methodology to the government not later than ninety (90) days after the start date of the contract.

Section 4.0 Schedule of Work

4.1 Places of Performance:

RMA Office, Kansas City, Missouri; and the Contractor's Offices.

4.2 Period of Performance:

From the date of the contract award through date of contract award plus ninety (90) days.

4.3 Delivery Schedule:

Deliverable	Timeframe
Grain Sorghum Pricing Methodology	Award plus 90 days.

Section 5.0 Government Furnished Information/Resources

5.1 Government Furnished Documentation:

RMA will provide all methods and data, including data from the Economic Research Service, used by the Corporation to develop the expected market prices for grain sorghum under the production and revenue-based plans of insurance of the Corporation.

5.2 Government Furnished Data:

See section 5.1.

5.3 Government Furnished Resources:

RMA personnel knowledgeable about the existing pricing methodology for grain sorghum will be made available for consultation by telephone or electronic mail. The contractor shall submit all resource requests to the COTR.

5.4 Government Furnished Facilities:

None.

Section 6.0 Contractor Furnished Resources

6.1 Contractor Furnished Items:

The Contractor shall provide all materials required to perform the contract, beyond Government furnished information or resources described in section 5.

Section 7.0 Government Quality Assurance

7.1 Inspection of Deliverables by the Government:

The Contracting Officer or Contracting Officer's Technical Representative (COTR) will inspect each deliverable within 30 days of receipt by the Government. At the Government's discretion, comments specifying improvements needed or minor deficiencies noted may be provided to the Contractor, along with an acceptance of the deliverable, in which case the Contractor may be required to document the corrections or improvements that were taken in the subsequent deliverable. However, major

deficiencies in a deliverable may result in its rejection, to include the failure of a resubmission to address the improvements or deficiencies submitted by the COTR regarding the prior version of the deliverable. In the case of a rejection, specifics will be provided to the Contractor as to the reasons for the rejection, as well as a deadline for re-performance (correcting deficiencies and resubmitting the deliverable). There shall be no constructive or inferred acceptance of any deliverable if the Government fails to meet the review deadline; however, in such cases an equitable adjustment to the delivery schedule may be granted. A deliverable that does not fully satisfy a requirement could also be subject to acceptance with a penalty, e.g., an equitable price reduction for the deliverable or other consideration deemed appropriate by the Contracting Officer.

The Government also reserves the right to monitor the Contractor's performance in accordance with its proper authority and contractual rights. Authorized Government personnel may visit the appropriate work area of the Contractor and may either observe the Contractor performing the tasks or review documentation, as appropriate. Monitoring may also include analysis of the key personnel hours expended as reported in the monthly reports submitted. If key personnel hours show significant deviation below projected hours as detailed in the Offeror's proposal, it could trigger an on-site inspection or other compliance actions. The COTR may also conduct evaluations to check compliance with the Contractor's approved quality control plan.

Section 8.0 Other Requirements

8.1 Report Style:

The developed and recommended pricing methodology for grain sorghum submitted as the deliverable under this contract shall be written and composed in a style suitable for publishing by the Government (i.e., conforms to U.S. Government Printing Office Style Manual standards--see <http://www.gpoaccess.gov/stylemanual/browse.html>).

Section 9.0 Proposal Instructions

9.1 Technical Proposal:

In response to this solicitation, offerors shall submit a technical proposal that contains their proposed solution(s) to the SOW objectives. The technical proposal shall include:

9.1.1 Technical Approach and Key Personnel, containing a technical discussion covering the following points:

- An explanation how the offeror would develop and recommend a pricing methodology for grain sorghum that best reflects the actual price at time of harvest that would be transparent and replicable.
- A minimum of three (3) years of demonstrated experience in the grain sorghum and corn markets. This can be illustrated by recent publications, presentations to

grain sorghum and corn market producers, or if they have served on an industry council that represents grain sorghum producers.

- The key personnel involved in this project must provide some form of written endorsement or recommendation from the Grain Sorghum industry that verifies the support of the industry for the offeror. The offeror shall be knowledgeable of the market conditions that affect the prices of the corn and grain sorghum markets.

9.1.2 Past Performance: The offeror will submit the following information with regards to past performance for similar work performed:

- A list of three (3) references for contracts performed within the last three (3) years for the Federal Government and/or commercial customers that demonstrate recent and relevant past performance for the type of work described in this Statement of Work.
- Include the following information:
 - Project title and description;
 - Contract number, type of contract, and amount;
 - Government agency or organization;
 - COTR's name, address and telephone number;
 - Current status; (e.g. completed and/or if in progress, start and estimated completion dates.)
 - Key personnel; and (please highlight those individuals who worked on the relevant project(s) and are also being proposed for this effort.)
 - A brief narrative of why you deem the reference to be relevant to this effort and the SOW paragraph to which the reference applies.

Note: The government may also consider information obtained through other sources. Past performance information will be utilized to determine the quality of the contractor's past performance as it relates to the probability of success of the required effort. If a contractor does not have past performance information they will be provided a neutral rating.

9.1.3 Technical Proposal Format:

Technical proposals are limited to 10 pages, on standard letter-size paper. All pages shall have a minimum of a 1-inch margin on the top, bottom, left, and right. Page numbering, offeror identification, and disclaimers may be placed in the 1-inch margin. Font size shall be no smaller than 10-point. The 1-inch margin required for text pages is not required for foldouts. Electronic versions of the proposal shall be submitted in Microsoft Word™, Excel™, and Project™, as appropriate. The number of copies to be submitted, to which location, and in what form shall be as directed by the Request for Proposal (RFP). The Government will not count the following documents toward the 20-page limit:

- Charts, Tables and Graphs (when on separate pages);
- Examples of existing reports on climate change of insurance, and climate change models on insurance agreements;
- Letter of Transmittal (cover letter);
- Title Pages;
- Divider Pages;
- Table of Contents; and
- List of Exhibits

9.1.4 No Price or Cost data should be in the Technical Proposal.

9.2 Price Proposal:

The Price and Cost (Business) Proposal shall be separate from the technical proposal and must include a price breakdown which includes not only the total contract price (or estimated cost if cost reimbursable contract type is proposed), but also shows the labor categories and charges, other direct costs, travel expenses and miscellaneous or material costs for deliverables and major components of deliverables in order to facilitate the Government's assessment of cost realism and performance risk.

The price/cost proposal must include the following:

- Prices for all work identified in this solicitation, along with labor categories and charges, other direct charges, travel expenses and methodology for determining travel costs, and other direct costs shall be shown for the deliverables and major components of deliverables in order to facilitate the Government's assessment of cost realism and performance risk.
- Subcontractors, Consultants, and Subject Matter Experts (SME's): Each offeror's written price/cost proposal shall contain the following information for each subcontractor, consultant, and SME that will provide work under this proposal:
 - Name of the company or individual;
 - Type of work, hourly rate, and number of hours;
 - Total cost to the Government

Payment Schedule: Offerors shall propose a payment schedule suitable for the type of contract proposed. For firm-fixed-price contracts, the proposed payment schedule may correspond to actual deliverables submitted under the contract.

Section 10.0 Proposal Evaluation Criteria

10.1 Proposal Evaluation Factors are as follows:

10.1.1 Technical Approach: 90%

This factor evaluates the Offeror's Technical Approach on how the offeror would develop and recommend a pricing methodology for grain sorghum that best reflects the actual price at the time of harvest that would be transparent and replicable. The evaluating criteria will be the level of expertise the key personnel have regarding the grain sorghum and corn markets and the level of endorsement from the grain sorghum industry.

10.1.2 Past Performance: 10%

On this factor the Government will evaluate the quality of previous work products the Offeror and its key personnel have produced. Offerors that combine greater professional competence with a demonstrated ability to deliver consistently high quality products will receive a higher evaluation. Aspects to be considered include the customer's perspective on:

- Usefulness and value of the services and products delivered (e.g., recommendations in previous work products were generally adopted);
- The key objectives and initial intent of the contracts were met (customer expectations);
- Previous work products contained relatively few substantial deficiencies, and the requested corrections were quickly and correctly made or satisfactorily explained; and
- Previous work products contained detailed, logical, and insightful analysis and recommendation, use of appropriate statistical methods, insight into potential program vulnerabilities, etc.

10.2 Price Evaluation:

Overall, the Government considers price less important than the above technical and business factors on this solicitation. But as technical proposals approach parity, price will become more important. Notwithstanding this, the realism of proposed prices will be evaluated as a reflection of the offeror's understanding of the requirements. The proposed prices will be evaluated separately but in conjunction with the technical proposal elements. A proposed price that is considered by the Government to be too low to accomplish the proposed technical approach may constitute a potential performance risk to the Government in terms of quality and ability to meet delivery schedules.